

A RESOLUTION APPROVING THE PROPOSED LEASE OPTION AGREEMENT  
FOR THE PUBLIC WORKS CORPORATE PROPERTY AND  
DIRECTING THE CITY MANAGER TO NEGOTIATE  
AMENDMENTS THERETO

**RECITALS:**

- A. The City has been exploring options to relocate the Public Works Corporation Yard— from the current residential/downtown area to a more industrial area where operations could be consolidated, warehousing/inventory increased, and long-term growth requirements accommodated.
- B. Jackson County has proposed a lease option agreement that would allow the City to reserve a 6-acre parcel of real property located at Township 36, Range 2W 36D Taxlot 102 on Bateman Drive as a potential lease site as the City completes its due diligence (180 day period). If the City executes a long-term lease agreement, the lease option payment in the amount of \$6,000.00 would be credited toward the total lease cost.
- C. The Council finds that a lease would be in the public interest as it would allow the City to finance the improvements to the property without an additional burden to the tax/rate payer.
- D. The City Attorney has reviewed the lease option and recommends potential revisions that the Council finds would be beneficial to the City if it is able to negotiate such revisions.

The City of Central Point resolves as follows:

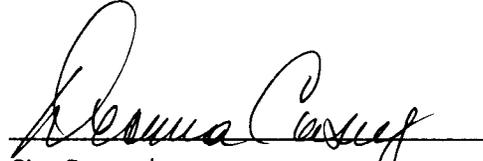
Section 1. The proposed lease option is approved in substantially the form attached hereto as Exhibit "A", with any modifications approved by the City Council, and the City Manager shall have authority to execute same.

Section 2. The City Manager is authorized and directed to negotiate with the County for revisions to the agreement with respect to the Option Term, the Lease terms and termination provisions, and take all other steps necessary to effectuate the agreement.

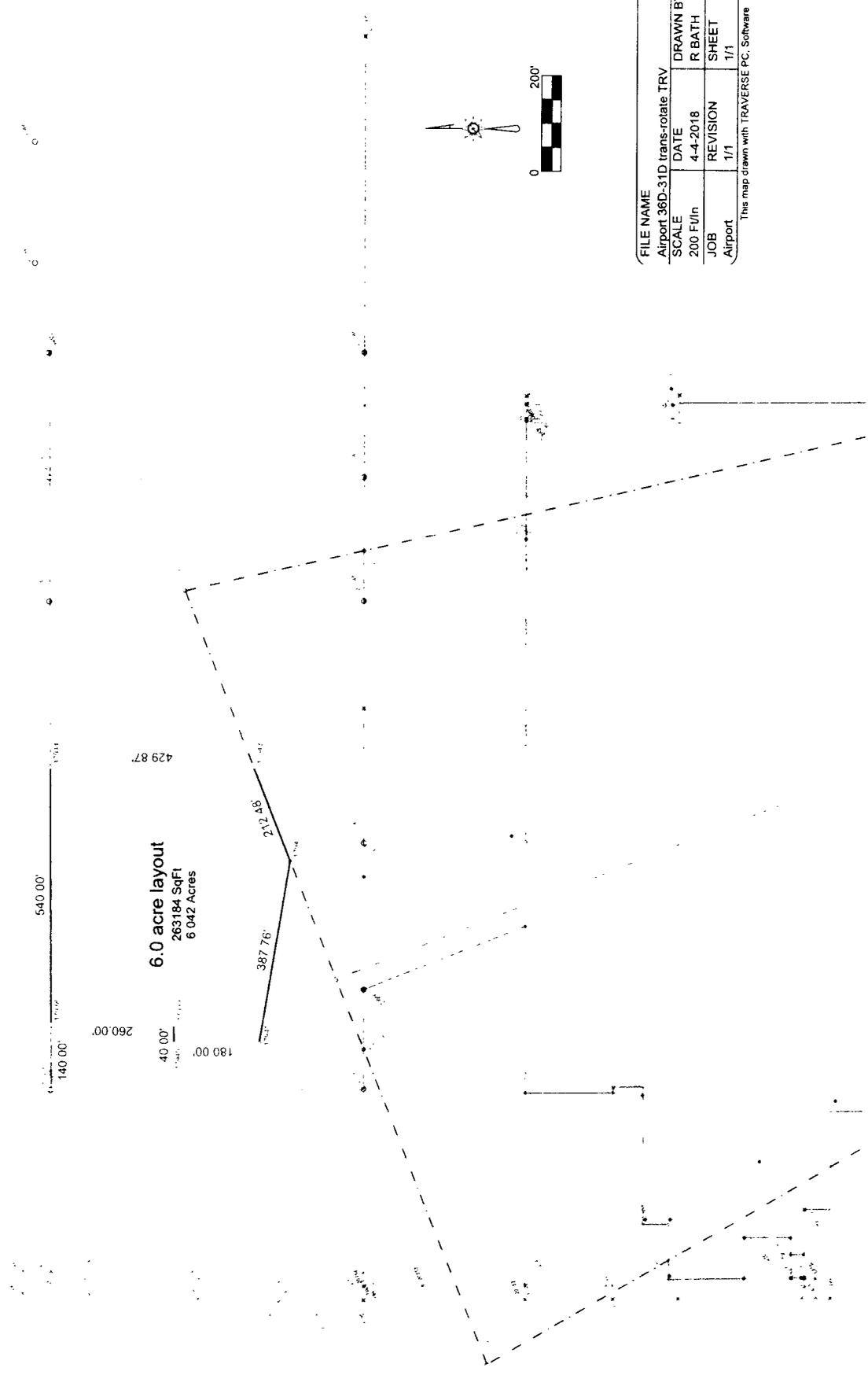
Passed by the Council and signed by me in authentication of its passage this 24<sup>th</sup> day of May, 2018.

  
Mayor Hank Williams

ATTEST:

  
City Recorder

Option- Exhibit A



540.00'  
140.00'

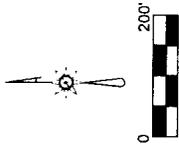
260.00'

6.0 acre layout  
263184 SqFt  
6.042 Acres

429.87'

387.76'

212.48'



FILE NAME	DATE	DRAWN BY
Airport 36D-31D trans-rotate TRV	4-4-2018	R. BATH
SCALE	REVISION	SHEET
200 F/in	1/1	1/1
JOB		
Airport		

The map drawn with TRAVERSE PC, Software

**JACKSON COUNTY  
REAL ESTATE LEASE OPTION**

THIS REAL ESTATE LEASE OPTION is made between Jackson County, a political subdivision of the State of Oregon, hereinafter referred to as "COUNTY" and City of Central Point, hereinafter referred to as "PROSPECTIVE LESSEE."

**SECTION I - CREATION OF OPTION:**

**Subsection 1.1 - CONSIDERATION**

In consideration of the payment of \$6,000 by PROSPECTIVE LESSEE to COUNTY, COUNTY hereby grants to PROSPECTIVE LESSEE, subject to the terms and conditions contained in this Jackson County Real Estate Lease Option ("Option"), to negotiate a lease of the property shown on the proposed Exhibit "A" map attached hereto ("Property"). PROSPECTIVE LESSEE shall have the right to exercise this Option after providing an acceptable development proposal as outlined in Section 2.1 below. PROSPECTIVE LESSEE's \$6,000-Option-money will be credited towards any lease negotiated and entered into with COUNTY. This Option is not a lease of the property. COUNTY merely agrees not to lease or transfer any interest in the property to any other person during the term of this Option.

**Subsection 1.2 - TERM**

The expiration date of this Option is six (6) months from the date of execution of this Option by COUNTY.

**Subsection 1.3 - PROPOSED USE OF PREMISES**

If PROSPECTIVE LESSEE exercises this Option, PROSPECTIVE LESSEE intends to enter into a lease with COUNTY for the purpose of constructing and maintaining a public works facility and maintenance building, including equipment storage and above-ground fueling. PROSPECTIVE LESSEE will lease the Property consisting of at least six (6) acres (Exhibit "A").

**SECTION II - CONDITION PRECEDENT TO EXERCISE OF THIS OPTION:**

**Subsection 2.1 - CONDITIONS**

As a condition precedent to exercise of this Option, PROSPECTIVE LESSEE shall present a proposal and site plan for related facilities to COUNTY no later than thirty (30) days prior to the expiration date of this Option. The proposal must be approved by COUNTY before PROSPECTIVE LESSEE may exercise its option to enter into a lease for the described premises. Should COUNTY not approve the proposal, COUNTY will submit in writing the objection and PROSPECTIVE LESSEE may submit a revised proposal. All terms of the lease to be negotiated under this Option must be acceptable to and approved by COUNTY, through its Board of Commissioners, prior to execution of the lease.

**Subsection 2.2 - EXERCISING THIS OPTION**

After providing an acceptable development proposal, PROSPECTIVE LESSEE may exercise this Option to enter into a lease for the property at any time during the term of this Option by notifying COUNTY in writing of its intent to do so. COUNTY and PROSPECTIVE LESSEE will then attempt to negotiate a written lease agreement containing terms including, but not limited to, those contained in SECTION IV below, and as agreed upon between the parties. The length of the lease is subject to negotiation, but the parties anticipate that the lease will be a long-term agreement.

**Subsection 2.3 - EXPIRATION OF THIS OPTION**

If PROSPECTIVE LESSEE fails to provide COUNTY with an acceptable proposal and site plan for related facilities within the time limits outlined in Subsection 2.1, this Option will expire immediately and the \$6,000-Option-money shall be forfeited to COUNTY.

If substantial progress is being made by PROSPECTIVE LESSEE, an extension may be granted.

**SECTION III - TIME IS OF THE ESSENCE:**

Time is of the essence.

**SECTION IV - PROVISIONS OF PROPOSED LEASE:**

The following items, among others, shall be addressed by PROSPECTIVE LESSEE in the proposed lease:

- A. The term of the lease;
- B. Compensation to COUNTY;
- C. Use of premises;
- D. Payment of property taxes, if any, by PROSPECTIVE LESSEE;
- E. Acquisition of all required local, state and federal permits by PROSPECTIVE LESSEE;
- F. Payment for utilities by PROSPECTIVE LESSEE;
- G. Title to all improvements;
- H. Insurance and liability; and
- I. Obligations for repairs and maintenance.

**SECTION V - ADDITIONAL TERMS:**

**Subsection 5.1 - ASSIGNMENT AND SUBLEASE**

PROSPECTIVE LESSEE shall neither assign, transfer, nor sublet this Option without written approval of COUNTY, which will not be unreasonably withheld.

**Subsection 5.2 - FORCE MAJEURE**

If the performance by either of the parties of their respective obligations under this Option (excluding monetary obligations) is delayed or prevented by any extraordinary acts of nature (including floods, explosions, earthquakes), fires, epidemics, war, labor strikes, riots, orders of or restraints by government authorities, or other extraordinary casualty

which is not reasonably within the party's control and is not due to the fault or negligence of that party ("Force Majeure"), then that party shall be excused from performance to the extent that performance is prevented by any of the foregoing, without liability under this Option. PROSPECTIVE LESSEE agrees, however, to proceed with all reasonable dispatch to perform its obligations under this Option after the Force Majeure preventing PROSPECTIVE LESSEE from carrying out its obligations under this Option cease to exist.

**Subsection 5.3 – SUBORDINATION**

This Option shall be subordinate to the provisions of any existing or future agreement between the COUNTY and the United States, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Rogue Valley International-Medford Airport. In the event that the COUNTY determines that this Agreement or any provisions contained herein causes or may cause a violation of any agreement between COUNTY and the United States, the COUNTY shall have the unilateral right to terminate this Option to ensure the COUNTY'S compliance with all such agreement(s) with the United States.

**Subsection 5.4 - LITIGATION**

If suit or action is instituted in connection with any controversy arising out of this Option, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, at trial or upon appeal. For the purpose of this Subsection, attorney fees may include the reasonable value of the services of in-house or staff counsel.

**Subsection 5.5 - INTEGRATION, MODIFICATION OR AMENDMENTS**

This Option contains the entire agreement of the parties with respect to the Property and supersedes all prior written and oral negotiations and agreements with respect to the Property. Any modifications, changes, additions, or deletions to this Option must be approved by the parties in writing.

**Subsection 5.6 - GOVERNING LAW; INTERPRETATION**

This Option shall be governed by the laws of Oregon. In the event a court of competent jurisdiction holds any portion of this Option to be void or unenforceable as written, PROSPECTIVE LESSEE and COUNTY intends that; 1) that portion of this Option be enforced to the extent permitted by law, and 2) the balance of this Option remain in full force and effect.

**Subsection 5.7 - REFUND OF OPTION MONIES**

The \$6,000-Option-money shall be refunded to PROSPECTIVE LESSEE if the following cannot be satisfactorily resolved:

- Obtaining permits from the City of Medford or any other permits or approvals required by any governing agency after reasonable efforts to obtain permits and approvals.
- Obtaining financing that meets the requirements of COUNTY, PROSPECTIVE LESSEE, or any future partners of PROSPECTIVE LESSEE, including third party financiers and systems owner(s), at least 90 days prior to the expiration date of this option.

**IN WITNESS WHEREOF**, the parties or their duly authorized representatives have signed this Option the day and year written below.

PROSPECTIVE LESSEE:

COUNTY:

(Signature)

Danny Jordan, County Administrator

(Printed Name/Title)

(Date)

(Date)

Approved as to Legal Sufficiency:

Sr. Asst. County Counsel